

Then critics said that the Corporation for National Service was lacking in its financial management standard and quality controls. The Corporation responded by committing to work with its Inspector General and Corporation's auditors, Arthur Anderson LLP and Williams, Adley & Co. to correct its financial weaknesses. Ted Sheridan of the Financial Executive Institute also worked with the Corporation to deal with these problems.

A year later, the Corporation is on the track to be a model of responsible governmental structure. It has hired a full-time Chief Financial Officer and it is in the process of installing a new financial management system. By 1998, it expects to have regular fully auditable financial statements and strict business controls.

Two years ago, critics rallied behind the cry that AmeriCorps was a government program fraught with management and financial problems. But AmeriCorps and the Corporation for National Service responded, and today AmeriCorps is a program of which I believe we can all be proud, critics and supporters alike. Unless of course, fixing the program was never the real goal.

You see, despite its successes, we are still having the debate over funding. That leads me to believe that the motives behind the criticism was never constructive, intended to produce a model government program. Instead, the critics' real goal was simply to defund or at least cripple a program that has been a target of theirs for years, no matter how well it is working today.

If that is the case, and I can hardly see how it could be otherwise, I urge my colleagues to reject this unfortunate amendment and to support a government program that helps to leverage private funds to tackle the difficult problems that face our youth, our communities, and our nation, neighborhood by neighborhood, where real effort can make a real difference in real peoples' lives.

In closing, let me thank Mr. STOKES and Chairman LEWIS for their work on this bill. I take at face value his commitment to restore funding in conference and for this opportunity to clarify the constructive work by so many at AmeriCorps over the past several years.

AUDITABILITY

THE CORPORATION IS STRENGTHENING ITS MANAGEMENT CONTROL SYSTEMS

The Corporation is unique in that it is a new entity comprised of pre-existing federal agencies and commissions and their outdated systems. The Corporation is methodically strengthening its financial management systems to reach full auditability in compliance with the new requirements of the Corporation Control Act, with action completed or in the process of implementation on 97 out of 99 points raised by Arthur Andersen by May 1, 1997. Once that goal is reached, the Chief Financial Officer will move forward on auditing current financial statements.

THE CORPORATION IS STRENGTHENING ITS TRUST FUND SYSTEM

A subsequent report by Peat Marwick, LLP (KPMG) will guide our efforts to strengthen the Trust Fund systems. It pinpoints several weaknesses in the current system—and we've already taken significant steps to begin to address them.

THE TRUST FUND SYSTEM MIRRORS OUR DECENTRALIZED STRUCTURE

Local program directors are directly responsible for certifying Trust Fund eligibility within guidelines set by Congress. Our experience and the KPMG findings indicate

that this reliance on local control requires stepped-up federal oversight to ensure accurate Trust fund records.

THE CORPORATION HAS TAKEN SIGNIFICANT STEPS TO ADDRESS TRUST FUND ISSUES

The Corporation generally concurs with and is committed to a methodical resolution of the issues raised by the KPMG report. To strengthen our Trust Fund systems, the Corporation has already taken several major steps, such as: updating the certification process and incorporated an automatic system rejection process to ensure all documents have been properly approved before Trust Fund accounts are established; freezing grant renewals until accurate certification forms are filed with the Trust Fund; developing systems to improve transactions registers and maintain supporting data; bringing accounting records to a current period; implementing a number of major changes to our segregation of duties within the Trust Fund operation; developing and implementing a revised payment system and an automated interface of those payments to our existing ledger system.

IT'S NOT UNUSUAL, BUT THAT'S NO EXCUSE

Many federal agencies are struggling to meet the new financial management auditability standards. The Departments of Defense, GSA, IRS, even the U.S. Congress. The Corporation is making every effort to meet the new challenges—and has made significant progress.

(Mr. HOEKSTRA asked and was given permission to revise and extend his remarks.)

Mr. HOEKSTRA. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. TIAHRT].

The amendment was agreed to.

Mr. LEWIS of California. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GILCHREST) having assumed the chair, Mr. COMBEST, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2158) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes, had come to no resolution thereon.

APPOINTMENT OF MEMBERS TO NATIONAL COMMISSION ON THE COST OF HIGHER EDUCATION

The SPEAKER pro tempore. Without objection, and pursuant to the provisions of section 40003 of Public Law 105-18, the Chair announces the Speaker's appointment of the following members on the part of the House to the National Commission on the Cost of Higher Education: Mr. Martin Anderson, California; Mr. George Waldner, Pennsylvania; and Mr. Jonathan Brown, California.

There was no objection.

COMMUNICATION FROM CHAIRMAN OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

The SPEAKER pro tempore laid before the House the following communication from the Honorable James V. Hansen, chairman of the Committee on Standards of Official Conduct:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT,

Washington, DC, July 15, 1997.

Hon. NEWT GINGRICH,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: I am writing pursuant to Rule L (50) of the Rules of the House, to supplement the original notification by Mr. Cole on June 3, 1997 that he had been served with a subpoena issued by the United States District Court for the District of Columbia.

After consultation with the Office of General Counsel, the Bipartisan Legal Advisory Group of the House of Representatives has determined that the subpoena to Mr. Cole is consistent in part and inconsistent in part with the rights and privileges of the House and has directed Mr. Cole to comply with the subpoena to the extent that it is consistent with the rights and privileges of the House.

Sincerely,

JAMES V. HANSEN,
Chairman.

EXTENDING ORDER OF THE HOUSE OF MAY 7, 1997, THROUGH WEDNESDAY, JULY 30, 1997

Mr. HOEKSTRA. Mr. Speaker, I ask unanimous consent that the order of the House of May 7, 1997, as extended on June 24, 1997, be further extended through Wednesday, July 30, 1997.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the Virgin Islands [Ms. CHRISTIAN-GREEN] is recognized for 5 minutes.

[Ms. CHRISTIAN-GREEN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. SAXTON] is recognized for 5 minutes.

[Mr. SAXTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. DAVIS] is recognized for 5 minutes.